



JAMES RIVER GROUP HOLDINGS, LTD.

**Compounding Value through an
Unrelenting Focus on Underwriting Profit**

**Second Quarter 2018
Investor Presentation**

Disclosure

Forward-Looking Statements

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, such forward-looking statements may be identified by terms such as believe, expect, seek, may, will, intend, project, anticipate, plan, estimate, guidance or similar words. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Although it is not possible to identify all of these risks and factors, they include, among others, the following: the inherent uncertainty of estimating reserves and the possibility that incurred losses may be greater than our loss and loss adjustment expense reserves; inaccurate estimates and judgments in our risk management may expose us to greater risks than intended; the potential loss of key members of our management team or key employees and our ability to attract and retain personnel; adverse economic factors resulting in the sale of fewer policies than expected or an increase in the frequency or severity of claims, or both; a decline in our financial strength rating resulting in a reduction of new or renewal business; reliance on a select group of brokers and agents for a significant portion of our business and the impact of our potential failure to maintain such relationships; reliance on a select group of customers for a significant portion of our business and the impact of our potential failure to maintain such relationships; changes in laws or government regulation, including tax or insurance law and regulations; the recently enacted Public Law No. 115-97, informally titled the Tax Cuts and Jobs Act, may have a significant effect on us including, among other things, by potentially increasing our tax rate, as well as on our shareholders; in the event we do not qualify for the insurance company exception to the passive foreign investment company (“PFIC”) rules and are therefore considered a PFIC, there could be material adverse tax consequences to an investor that is subject to U.S. federal income taxation; the Company or any of its foreign subsidiaries becoming subject to U.S. federal income taxation; a failure of any of the loss limitations or exclusions we utilize to shield us from unanticipated financial losses or legal exposures, or other liabilities; losses from catastrophic events which substantially exceed our expectations and/or exceed the amount of reinsurance we have purchased to protect us from such events; potential effects on our business of emerging claim and coverage issues; exposure to credit risk, interest rate risk and other market risk in our investment portfolio; our ability to obtain reinsurance coverage at prices and on terms that allow us to transfer risk and adequately protect our company against financial loss; losses resulting from reinsurance counterparties failing to pay us on reinsurance claims or insurance companies with whom we have a fronting arrangement failing to pay us for claims; the potential impact of internal or external fraud, operational errors, systems malfunctions or cyber security incidents; our ability to manage our growth effectively; inadequacy of premiums we charge to compensate us for our losses incurred; failure to maintain effective internal controls in accordance with Sarbanes-Oxley Act of 2002, as amended (“Sarbanes-Oxley”); and changes in our financial condition, regulations or other factors that may restrict our subsidiaries’ ability to pay us dividends. Additional information about these risks and uncertainties, as well as others that may cause actual results to differ materially from those in the forward-looking statements, is contained in our filings with the SEC, including our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 1, 2018. These forward-looking statements speak only as of the date of this release and the Company does not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures as defined by Regulation G of the rules of the SEC. These non-GAAP measures, such as underwriting profit, adjusted net operating income, tangible equity and adjusted net operating return on average tangible equity are not in accordance with, nor are they a substitute for, GAAP measures. We believe these non-GAAP measures provide users of our financial information useful insight into our performance. Investors should consider non-GAAP measures in addition to, and not as a substitute for, or superior to, the comparable GAAP measures. Please refer to pages 27 & 28 of this presentation for a reconciliation of the non-GAAP financial measures to the equivalent GAAP equivalents.

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Overview

Our Strategy

We seek to deliver consistent, top tier returns on tangible equity and achieve sector leading value creation

- We are active managers of capital, seeking to generate top tier returns and return excess capital, while maintaining the ability to respond quickly to match capital to evolving risk opportunities
- We are underwriters first, and target low volatility risks with our 'A' rated balance sheet
- We are focused on profitably growing our niche portfolio of new economy, excess and surplus, and workers' compensation risks
- We continue to meaningfully build fee income in our Specialty Admitted segment, and increase the proportion of earnings represented by fees
- We seek meaningful investment returns, largely generated from niche strategies representing a small portion of our portfolio
- We mitigate volatility via portfolio construction, low retentions and little property exposure – 1:1000 PML would not exceed \$10 million

Our Business

E&S Segment

- E&S business underwritten by specialists in 13 divisions organized by product or industry segment
- 84.9% average combined ratio from 2013-2017
- Focus on small and medium-sized commercial accounts; 97% casualty and no primary property
- Distributes through 120+ broker groups

PROFITABLE SPECIALTY UNDERWRITING

Specialty Admitted Segment

- Specialty admitted insurance coverages in the US, including a growing fee income business
- Segment comprises:
 - Core book of workers' compensation in select Southeastern and Eastern U.S. states
 - Fee-based fronting business
- Gross fee income of \$11.3MM in 2017 and \$7.1MM YTD 1H 2018

A FOCUS ON FEE INCOME

Casualty Reinsurance Segment

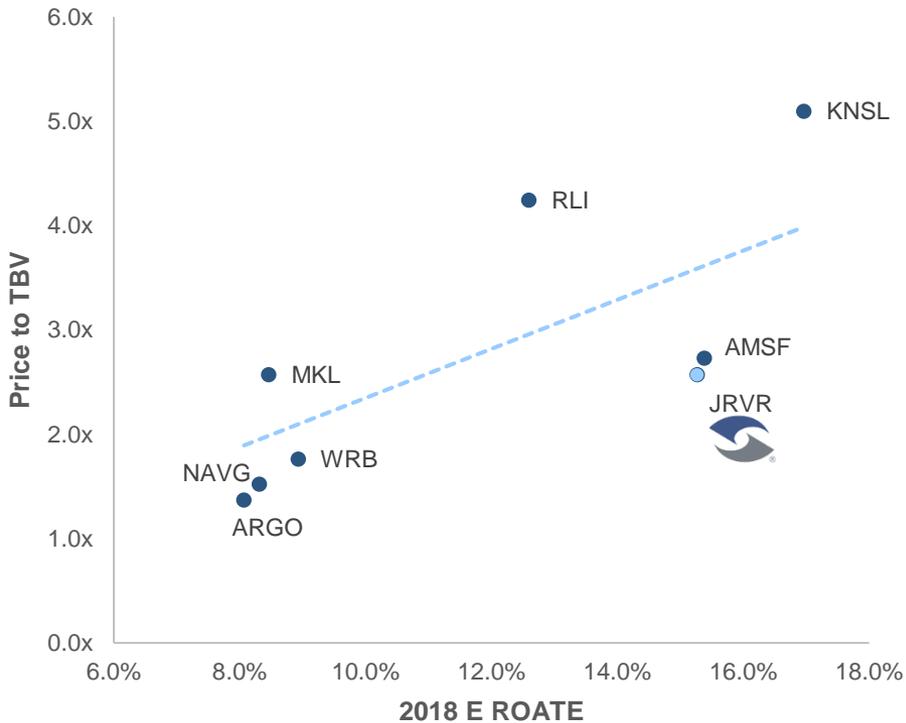
- Third-party proportional and working-layer excess casualty business focused on small and medium U.S. specialty lines
- 76% of the segment's Gross Written Premium consisted of E&S risks YTD 1H 2018
- At December 31, 2017, 99% of third party treaties were written as quota share arrangements and 67% contained loss mitigation features (example: sliding scale commissions or deficit carryforwards)

LOW VOLATILITY UNDERWRITING

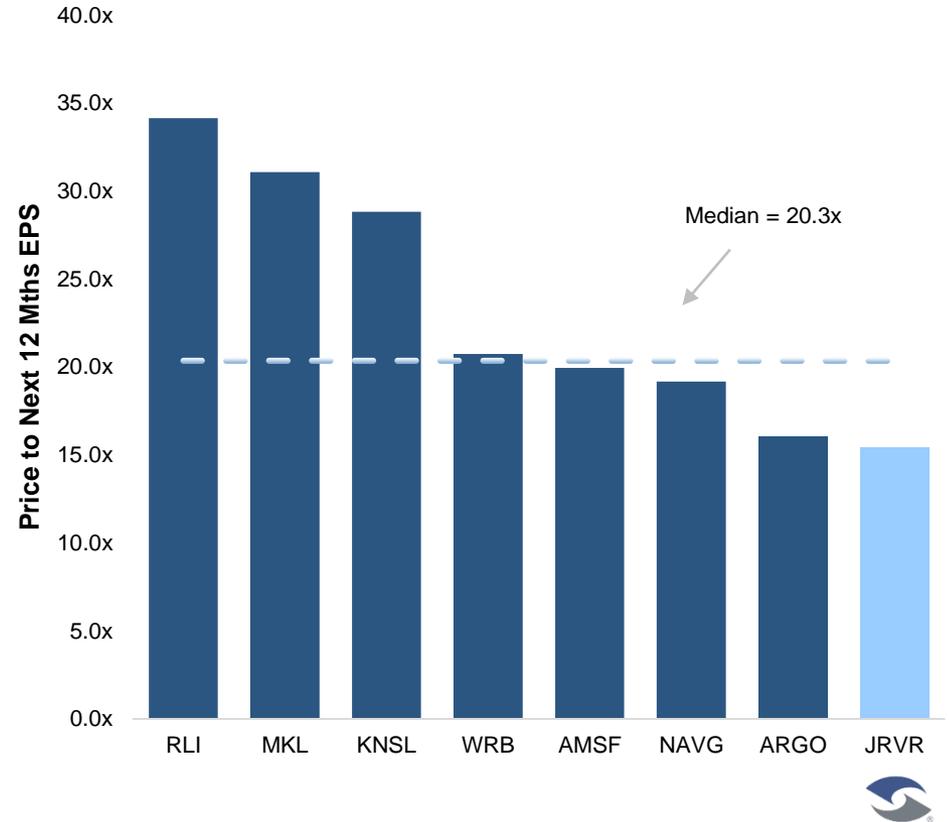
Our Current Valuation Supports Meaningful Upside

P/TBV vs Operating ROATE¹

Price/Next Twelve Month Consensus Earnings



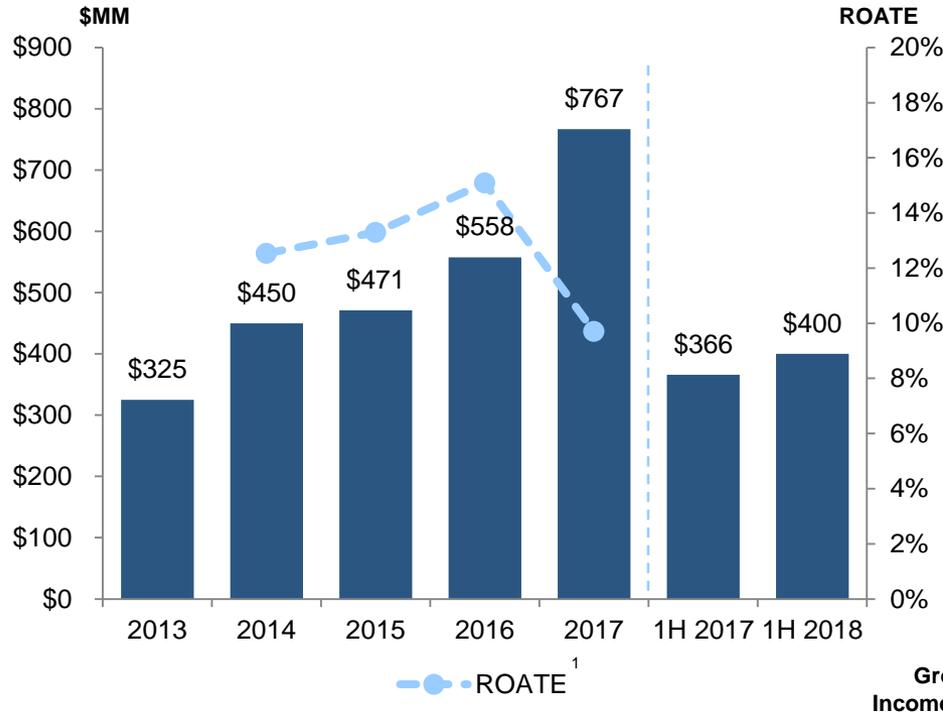
R² = 0.5393



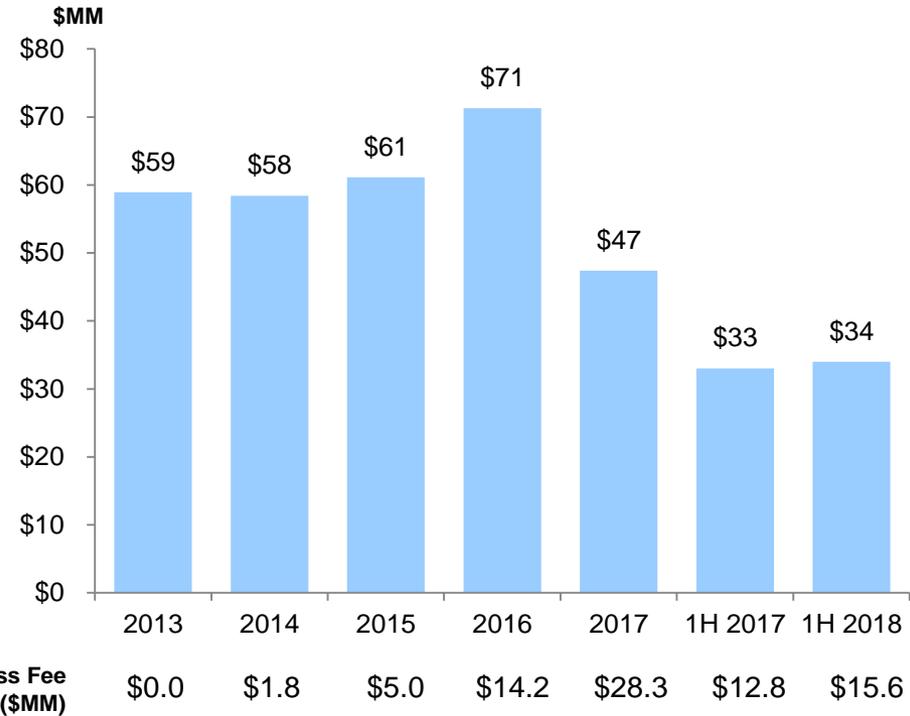
Source: SNL Financial.
 Market price data as of 8/13/18. Financial metrics reflect June 30, 2018 reported results.
¹ Consensus Operating Return on Average Tangible Equity for the full financial year

We Have a History of Profitable Growth and Disciplined Underwriting

Net Written Premiums & Operating ROATE¹



Adjusted Net Operating Income



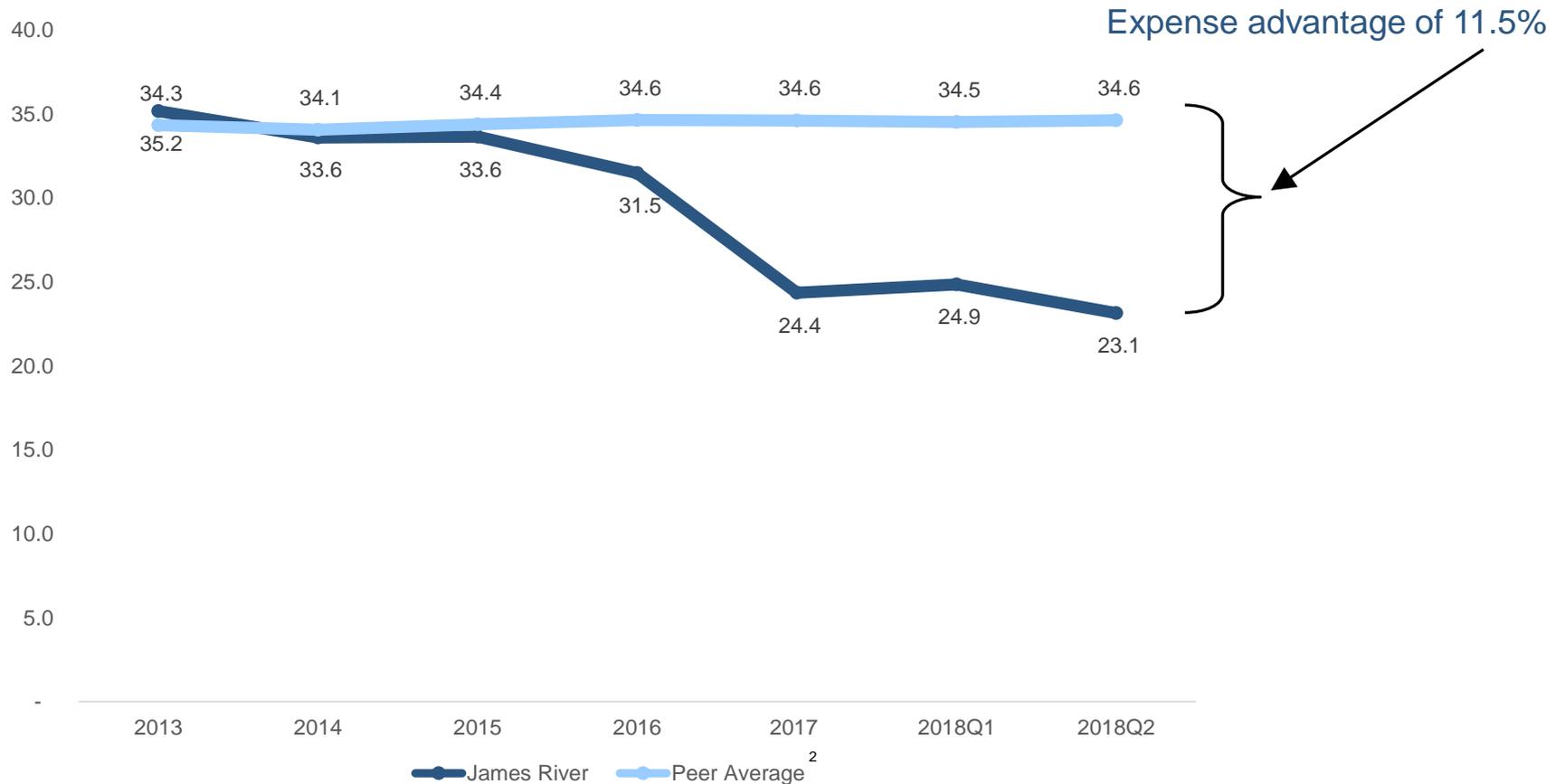
- Strong, consistent underwriting, profitable growth
- Efficient operator (24.0% expense ratio for 1H 2018)
- Increasing E&S contribution
- Growing fee income

Source: Company filings.

¹ Adjusted Operating Return on Average Tangible Equity for the full financial year

Growth and Benefits of Scale

Our material expense advantage positions us well for profitability¹



¹ GAAP expense ratio; all corporate/other expenses adjusted for inclusion in the expense ratio.

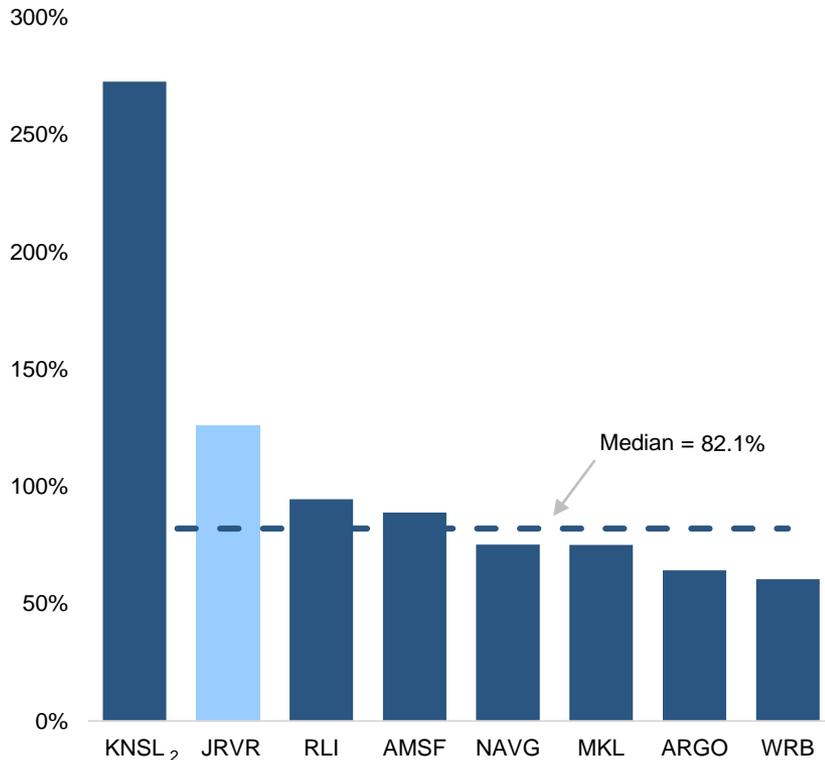
² Peer Group: Amerisafe Inc., Argo Group International Holdings, Ltd., Kinsale Capital Group Inc., Market Corp., Navigators Group Inc., RLI Corp. and W. R. Berkley Corp.

Source: SNL Financial, company filings

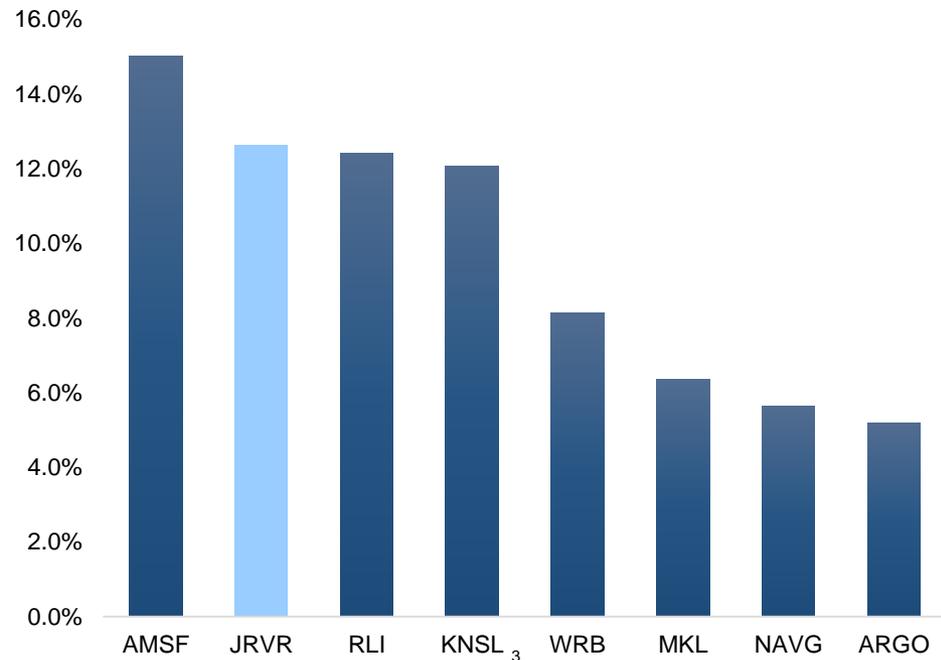
Leading Value Creation

We have delivered best in class shareholder returns since becoming a public company

Total Shareholder Return Since JRVR IPO¹



3 Year Avg Operating ROATE⁴

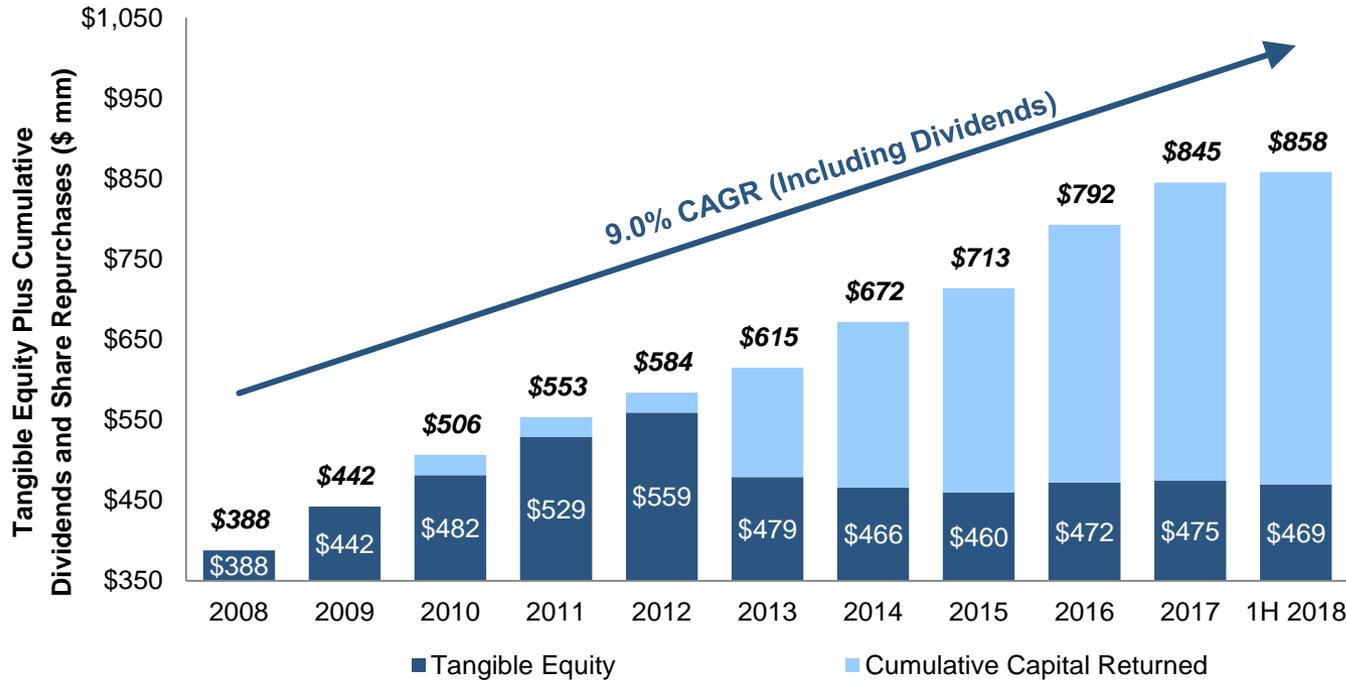


1. Shareholder return represents the dividend-adjusted share price appreciation from James River's initial public offering date of December 12, 2014 until August 13, 2018.
2. KNSL's total shareholder return is calculated since its July 27, 2016 initial public offering.
3. KNSL data is 2 Year Avg Operating ROATE.
4. Operating returns as of June 30, 2018.

Source: SNL Financial.

Capital Management Maximizes Shareholder Value

Capital Management History



- \$389 million of capital returned since 2008
- \$183 million of capital returned to shareholders since December 2014 IPO, or 39.2% of tangible book value at that time
- Last twelve month dividend yield of 4.2%¹

1. Calculated as dividends paid over last 4 quarters of \$1.70 divided by August 13, 2018 closing share price of \$40.31.

Source: Company filings

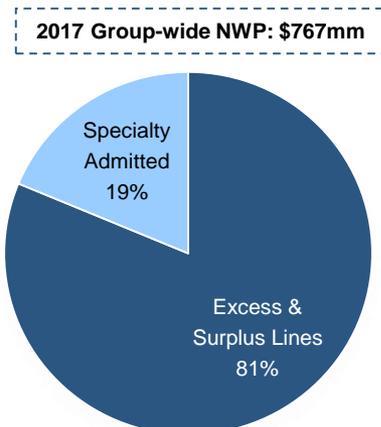


Franchise

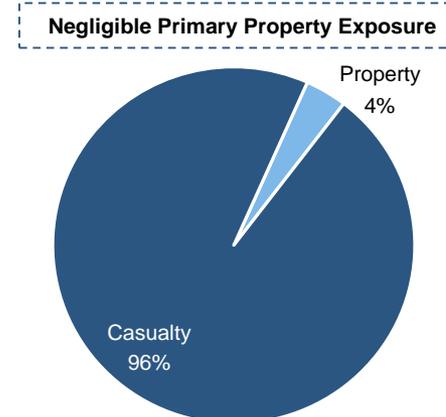
Franchise Overview

- We are a specialty, low volatility underwriting company with a proven history of generating consistent profits
- Our key area of focus is small and medium sized commercial account Excess & Surplus Lines casualty business with \$1 million per occurrence limits and \$20,000 average account premiums
- We look to marry that with a growing fee business, through our fronting strategy within our specialty admitted segment
- Our niche workers compensation and third-party casualty reinsurance businesses help provide attractive returns on capital
- We expect to deliver 12% or better operating returns on tangible equity for the 2018 fiscal year and a combined ratio of 94% to 97%
- 2017 result: 9.7% OROATE; 1H 2018 YTD result: 14.5% OROATE ¹

2017 Group-wide Net Written Premiums by Type



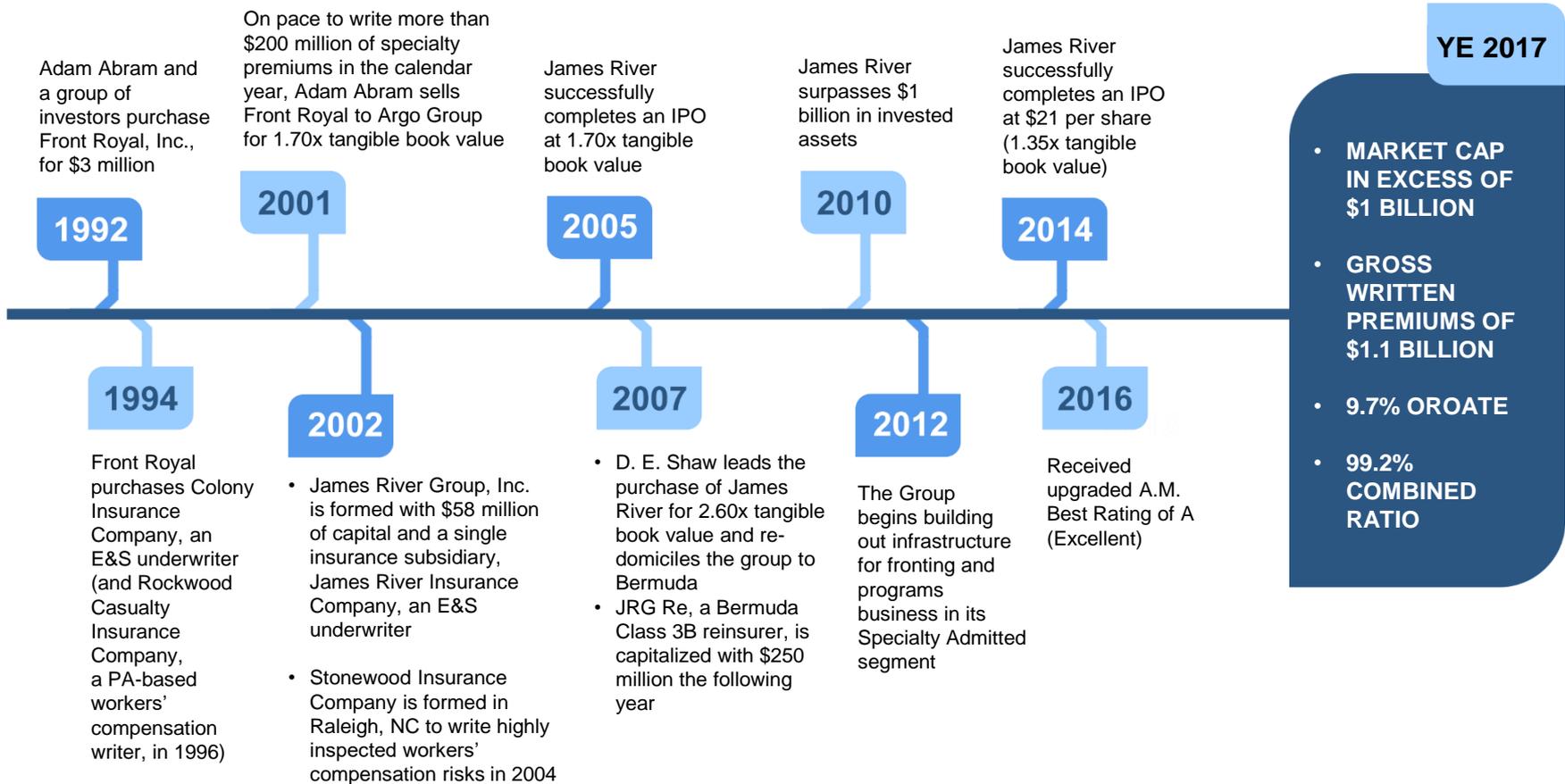
2017 Group-wide Net Written Premiums by Coverage



Source: Company filings

¹ Operating Return on Average Tangible Equity, calculated as annualized YTD Operating Income divided by the average Tangible Equity over the period

Our Specialty Market History



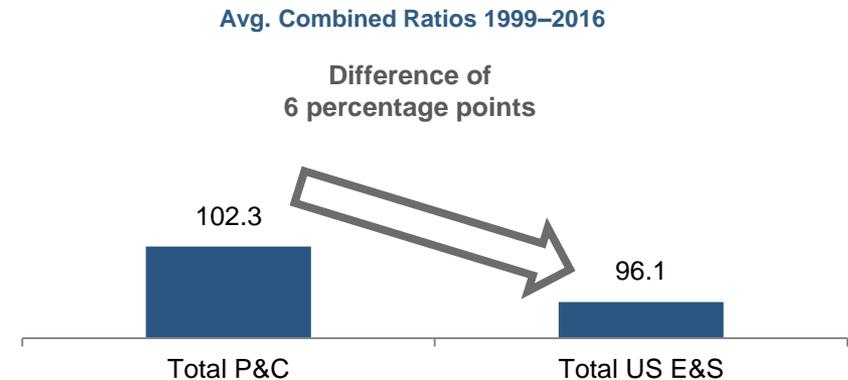
E&S Focus | Profitable, Niche Specialty Underwriting

- Our business is heavily concentrated in E&S Casualty (81% of 2017 NWP and generated by both the E&S and Casualty Reinsurance segments.)
- E&S is the most profitable part of the property/casualty market and has been gaining market share.

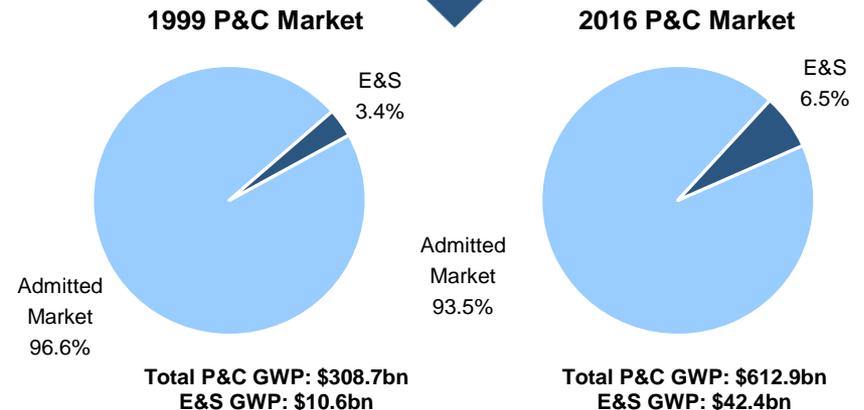
E&S segment GWP grew by 43% during 2017 and 35% YTD Q2 2018.

Source: A.M. Best data and research, SNL and company filings.

Profitability of E&S vs. Total P&C Industry



E&S Gaining Share of P&C Insurance Market





Operating Segments

Attractive Growth in Gross Written Premium

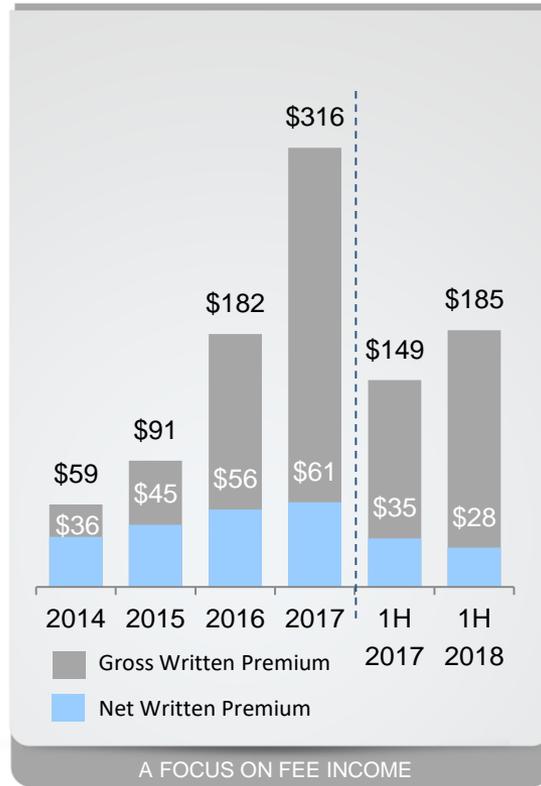
Growth driven by attractive new economy risks, core E&S growth, and expansion of fronting business

(\$ in Millions)

E&S Segment



Specialty Admitted Segment



Casualty Reinsurance Segment



Source: Company filings.



Financial Highlights

Broad Risk Appetite Permits Us to 'Pick Our Spots'

Each Excess & Surplus lines policy is underwritten by in-house specialists with deep technical expertise across 13 underwriting divisions

- The first half of 2018 has seen pricing increase of 7% across our core (non-commercial auto) E&S business

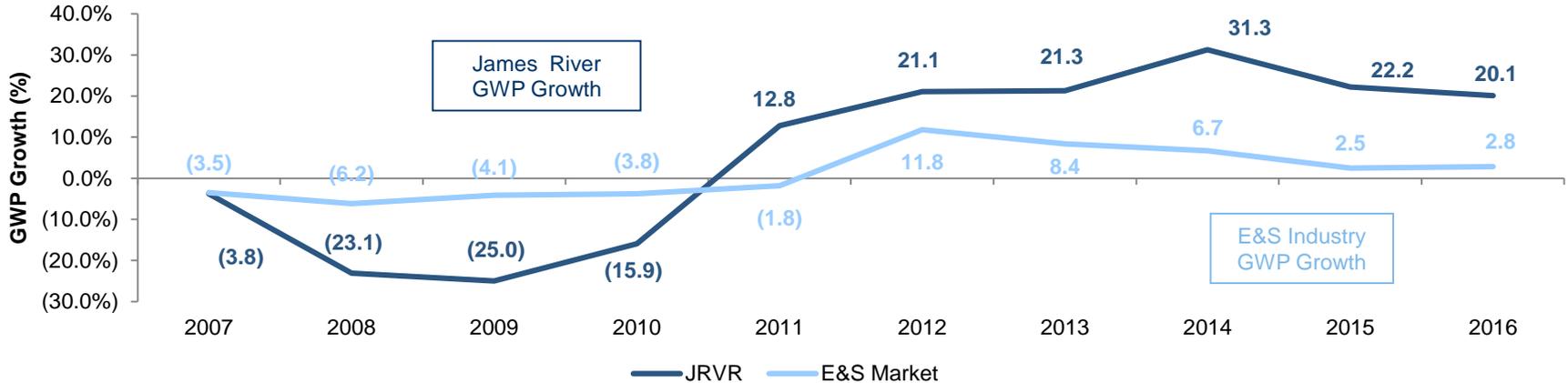
Division	Lead U/W Years of Industry Experience	Gross Written Premiums			Description
		Six Mths Ended Jun 30, 2018	Year Ended Dec 31, 2017	Year Ended Dec 31, 2016	
Commercial Auto	30	\$158.3	\$248.0	\$110.1	Hired / non-owned auto, ride share
Manufacturers & Contractors (MC)	34	39.6	85.7	83.3	Products liability & completed operations exposure
Excess Casualty	34	24.7	51.2	43.5	Following form excess on risks similar to GC and MC
General Casualty (GC)	30	31.3	38.1	36.9	Premises ops (e.g., apartments, offices & restaurants)
Energy	46	18.1	29.7	29.7	Oil & gas contractors, mining, alternative energy & utilities
Allied Health	24	23.5	19.2	14.4	Long-term care, outplacement facilities & social services
Excess Property	32	9.5	14.4	14.1	CAT-exposed excess property > 1/100 year return period
Life Sciences	34	7.8	13.0	11.1	Nutrition products, medical devices and human clinical trials
Small Business	30	7.2	11.3	9.1	Small accounts similar to GC and MC
Environmental	46	6.7	7.9	5.3	Environmental contractors and consultants
Professional Liability	24	3.3	6.3	8.4	E&O for non-medical professionals (lawyers, architects, engineers)
Sports & Entertainment	30	1.8	3.0	2.2	Amusement parks, campgrounds, arenas
Medical Professional	24	1.0	2.3	2.7	Non-standard physicians and dentists
Total		\$332.9	\$530.1	\$370.8	

Source: Company filings.

Demonstrated Underwriting Discipline

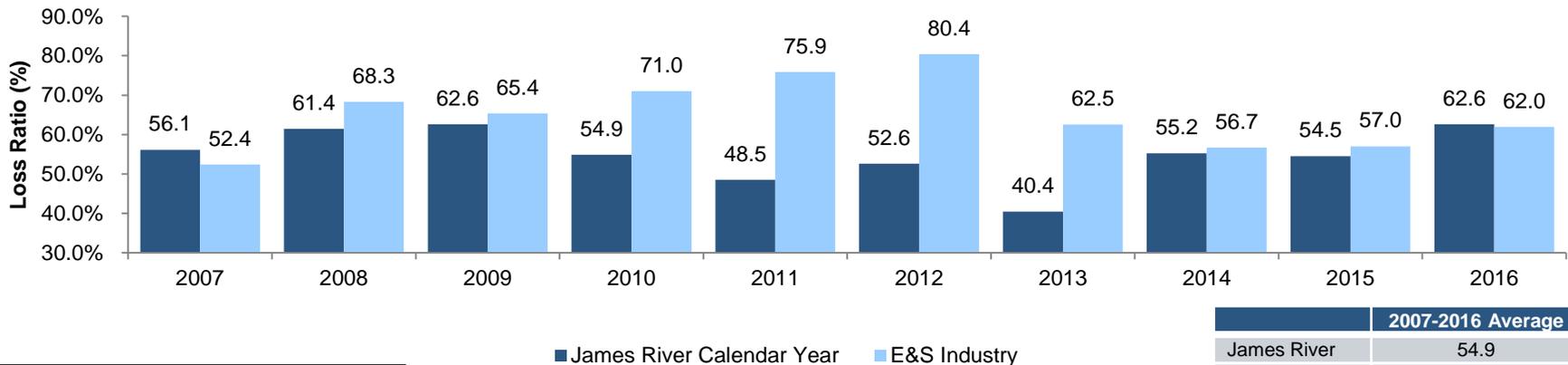
We have proven our willingness to expand and contract when market conditions dictate, and have a strong track record of profitable underwriting

E&S Segment – GWP Growth vs. E&S Industry



Source: A.M. Best report

E&S Segment Loss Ratio vs. E&S Industry

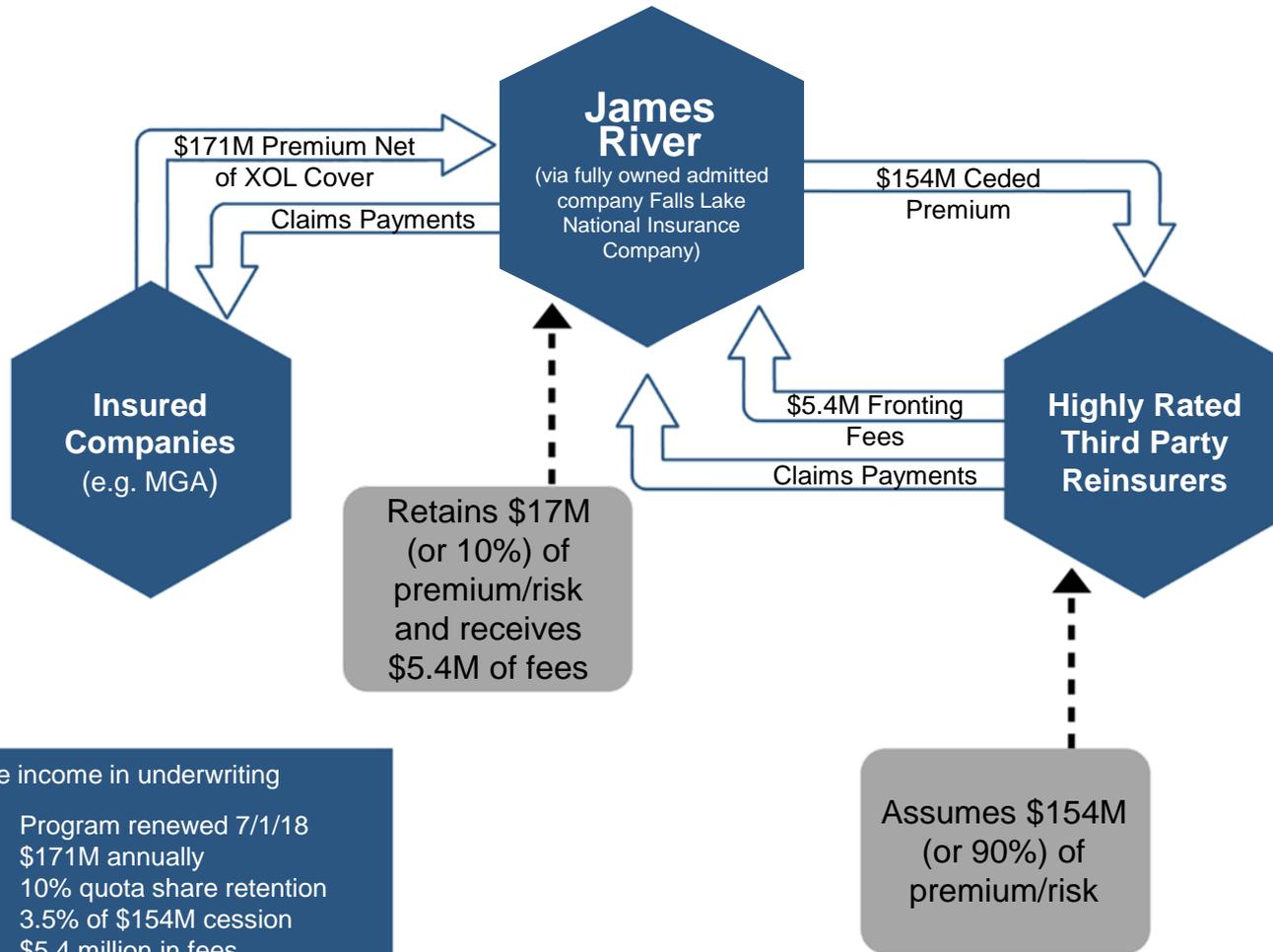


	2007-2016 Average
James River	54.9
E&S Industry	65.2

Source: Company filings, A.M. Best data and research

A Growing Fee Business

Fee Income Example



The effect of fee income in underwriting

Example: Program renewed 7/1/18
 Exp Premium: \$171M annually
 Retention: 10% quota share retention
 Fee: 3.5% of \$154M cession
 Result: \$5.4 million in fees

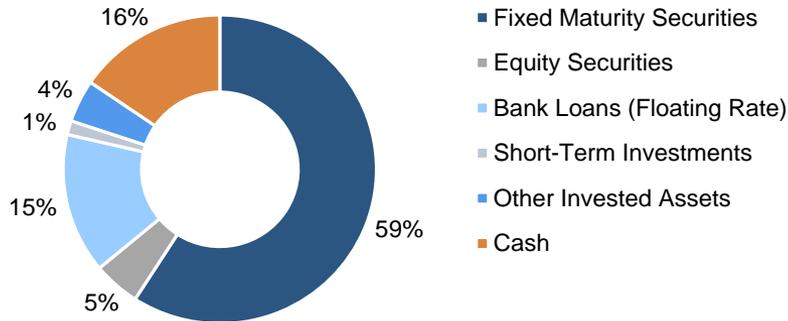
Prudent Reserving Philosophy

Commentary

- Over \$124 million of net favorable reserve development from 2008 through Q2, 2018
- As of June 30, 2018, 63.5% of net reserves were attributable to IBNR
- Full internal reserve reviews performed quarterly, external reserve reviews performed during Q3 and Q4

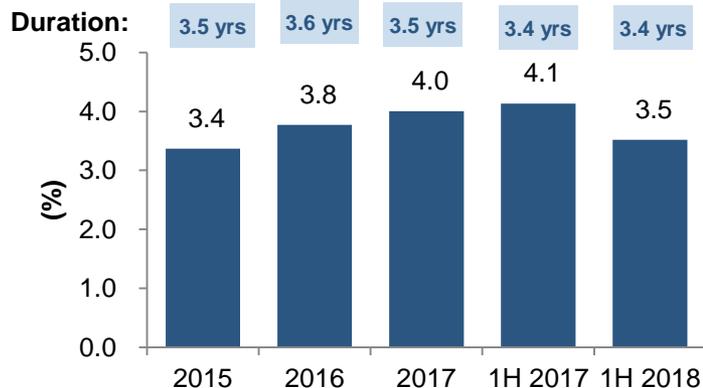
Traditional Investment Approach Augmented by Higher Yielding Alternatives

Investment Portfolio (as of June 30, 2018)



Total Cash and Investments: \$1,728MM

Net Investment Yield



Source: Company filings.

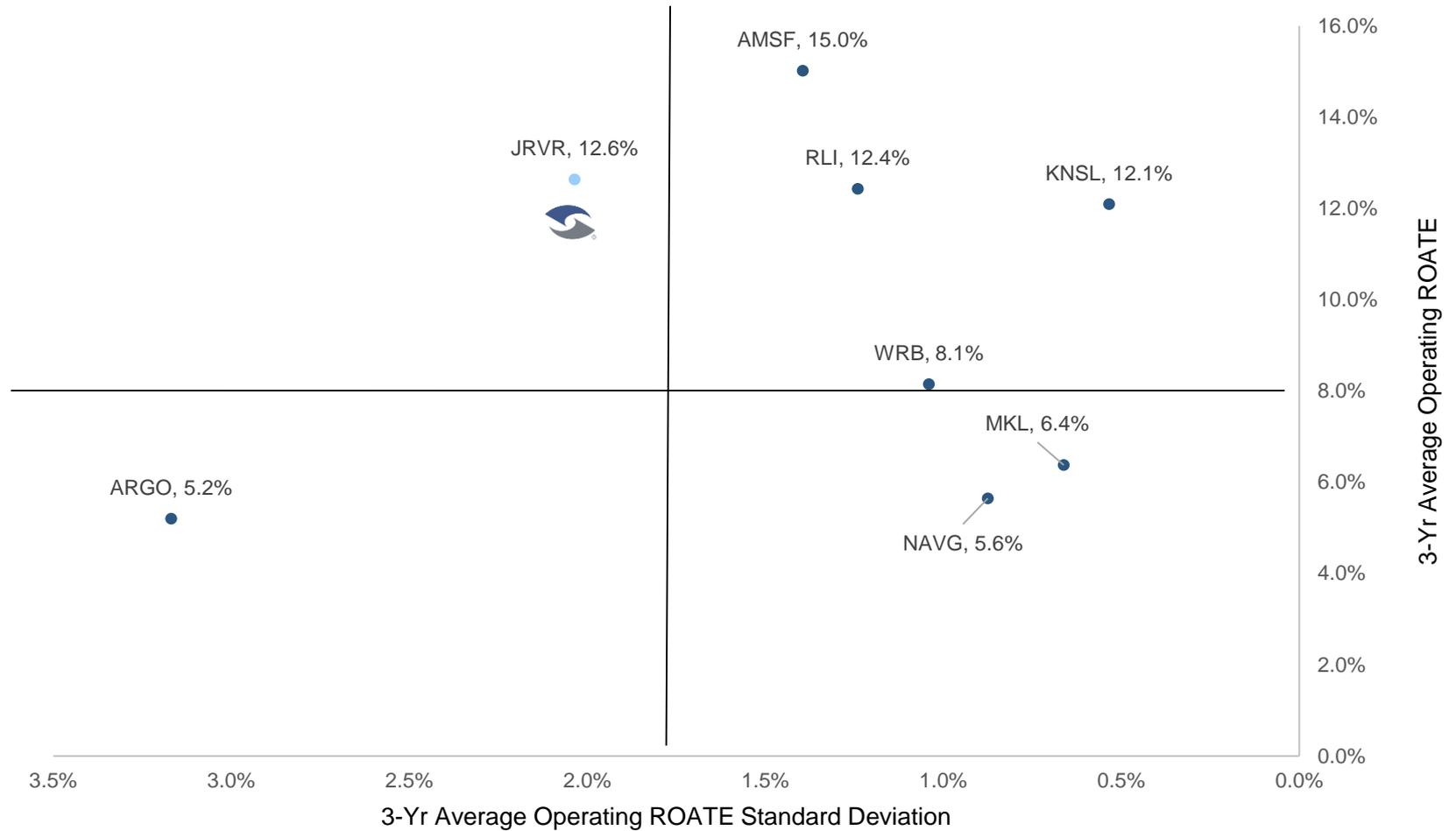
Commentary

- Our investment portfolio consists of investment grade fixed maturity securities, selectively supplemented by non-traditional investments
- Examples of non-traditional investments we have made include:
 - Participations in floating rate syndicated bank loans, generally senior secured loans with an average credit rating¹ of “B”;
 - Equity and debt investments in renewable energy project limited partnerships (~ \$40MM carrying value);
 - Investment in a limited partnership that invests in the equity tranches of collateralized loan obligations (CLOs)
- Weighted average credit rating¹: “A”
- Negligible exposure to equity markets or correlated equity market exposure

1. Per S&P, or an equivalent rating from another nationally recognized rating agency; credit ratings of fixed maturity securities, bank loans and redeemable preferred stocks as of June 30, 2018.

Consistent Top Tier Returns

Extremely attractive risk reward proposition



Source: SNL Financial
Data as of June 30, 2018



Appendix

James River Group Key Metrics

● Exchange/Ticker	NASDAQ / “JRVR”
● Initial Public Offering	\$21.00 (December 12, 2014)
● Current Share Price	\$40.31 (Closing Price August 13, 2018)
● Market Capitalization	\$1.206 billion (August 13, 2018 market close)
● LTM Dividend / Yield	\$1.70 per share declared 4.2% yield ¹
● Gross Written Premium	\$1,082 million in 2017
● Total Capitalization	\$892 million as of June 30, 2018
● AM Best Rating	‘A’ (Excellent)
● Analyst Coverage and Rating ²	Dowling (Neutral) – Aaron Woomer FBR (Neutral) – Randy Binner JMP (Outperform) – Matthew Carletti KBW (Outperform) – Meyer Shields SunTrust (Buy) – Mark Hughes UBS (Neutral) – Brian Meredith

1. Based on Q3 2017, Q4 2017, Q1 2018 and Q2 2018 dividends and closing price of \$40.31 on August 13, 2018.

2. As of August 13, 2018.

Non-GAAP Measures Reconciliation

Non-GAAP Reconciliation

Underwriting Profit (Loss)						
(\$mm)	2014	2015	2016	2017	1H 2017	1H 2018
Underwriting profit (loss) of the operating segments:						
Excess and Surplus Lines	\$ 35.1	\$ 47.6	\$ 47.2	\$ 29.7	\$ 20.5	\$ 21.4
Specialty Admitted Insurance	0.0	1.1	2.9	3.2	1.4	2.6
Casualty Reinsurance	0.7	(2.6)	(0.2)	(1.8)	(0.9)	3.5
Total underwriting profit of operating segments	35.8	46.1	49.9	31.1	21.0	27.5
Operating expenses of Corporate segment	(9.1)	(18.5)	(20.4)	(25.3)	(12.6)	(14.7)
Underwriting profit	26.7	27.6	29.5	5.8	8.4	12.8
Net investment income	43.0	44.8	52.6	61.1	30.4	29.4
Net realized investment (losses) gains	(1.3)	(4.5)	7.6	(2.0)	1.4	(0.9)
Other income and expenses	(15.8)	(0.5)	(1.3)	(0.2)	(0.1)	0.1
Interest expense	(6.3)	(7.0)	(8.5)	(9.0)	(4.3)	(5.5)
Amortization of intangible assets	(0.6)	(0.6)	(0.6)	(0.6)	(0.3)	(0.3)
Impairment of intangible assets	-	-	-	-	-	-
Income before taxes	\$ 45.6	\$ 59.8	\$ 79.3	\$ 55.1	\$ 35.5	\$ 35.6

Source: Company filings.

Non-GAAP Measures Reconciliation

Non-GAAP Reconciliation

(\$mm)						
Adj. Net Operating Income	2014	2015	2016	2017	1H 2017	1H 2018
Income as reported	\$ 44.7	\$ 53.5	\$ 74.5	\$ 43.6	\$ 33.0	\$ 32.6
Net realized inv. (gains) losses	(0.9)	4.1	(5.2)	1.4	(1.1)	0.8
Initial public offering costs	13.2	-	-	-	-	-
Dividend withholding taxes	-	2.5	-	1.0	-	-
Other expenses	1.0	0.6	1.1	0.6	0.3	0.1
Interest expense	0.4	0.4	0.9	0.8	0.4	0.6
Adjusted net operating income	\$ 58.4	\$ 61.1	\$ 71.3	\$ 47.3	\$ 32.6	\$ 34.1

Tangible Equity	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	1H 2017	1H 2018
Shareholders' equity	\$ 677.8	\$ 724.7	\$ 714.2	\$ 762.4	\$ 784.0	\$ 701.5	\$ 687.9	\$ 681.0	\$ 693.2	\$ 694.7	\$ 719.7	\$ 689.2
Goodwill & intangible assets	(289.7)	(282.4)	(232.7)	(233.8)	(225.0)	(222.6)	(222.0)	(221.4)	(220.8)	(220.2)	(220.5)	(219.9)
Tangible equity	\$ 388.0	\$ 442.3	\$ 481.5	\$ 528.5	\$ 559.0	\$ 478.9	\$ 466.0	\$ 459.7	\$ 472.5	\$ 474.5	\$ 499.3	\$ 469.4
Shares Outstanding (000's)	35,718	35,718	35,718	35,718	36,030	28,540	28,540	28,942	29,258	29,697	29,468	29,918
Tangible Equity per Share	\$ 10.86	\$ 12.38	\$ 13.48	\$ 14.80	\$ 15.52	\$ 16.78	\$ 16.33	\$ 15.88	\$ 16.15	\$ 15.98	\$ 16.94	\$ 15.69

Note: In the Tangible Equity Table, 2008 to 2013 shares outstanding are retroactively adjusted for 50/1 stock split. Additionally, all amounts are as of December 31 for each period indicated, except 1H 2017 and 1H 2018, which are as of June 30.

Source: Company filings.



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